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THE PARIS SUMMIT: A MODEST SUCCESS

by H.A. Lücker

The Paris Summit was less of an event of state than the earlier Summit of October 1972. The wording of the final communiqué was less florid and more restrained, as befitted the circumstances, both internal and external, of the present situation. Uncertainty as to whether Britain would remain in the Community was evident both in the proceedings of the meeting and in the final communiqué. Clearly the dangers of a worldwide economic recession and the consequences of price rises for oil and raw materials had made the assembled statesmen aware of their own weakness as isolated nations and brought them to a growing realization that no Member State, relying solely on its own resources, can cope with the problems that all the Member States see facing them.

All of this was salutary, even if all the difficulties could not be overcome. That could hardly have been expected in view of the marked difference between the fundamental positions of various countries on economic, financial and social matters. Some conclusions can, however, be drawn:

1. The danger of a return to mere cooperation between Member States instead of integrated Community policies is over. The resolve to work out Community policies was strengthened.
2. The need for greater convergence of economic and financial policies was acknowledged; the struggle against inflation and the maintenance of employment call for different measures in the various countries concerned, but they were classed under the common goal of 'stability'.
3. Community solidarity found particular expression in the decisions on regional policy and energy policy, and a common discipline, the necessary corollary of this, was accepted as indispensable.
4. The political goal of European Union was firmly endorsed and decisions taken on means and procedures for ensuring its achievement; the mission given to the Belgian Prime Minister, Mr Tindemans, bear ample witness to this resolve.
5. A tangible step on the path towards true democratization of the work of European unification was taken with the decision on direct elections to the European Parliament.
6. The Community institutions were strengthened and their operation and the political decision-making process improved; this will lead to an extension of the areas of European rather than national responsibility.

'The previous Summits (a reflection of cooperation between Member States) are dead, long live the European Council (reflecting the resolve to achieve European integration).' This adaptation of a famous dictum was used by the French President at his press conference and was intended to herald a new beginning. The great breakthrough, so urgently needed by Europe, was not achieved in Paris, mainly because results were still blocked by the failure as yet of the British to come to any decision. Paris was a success, a modest but positive one, and is a pointer in the right direction. Full use must now be made of all the possibilities offered by its decisions. Political resolve must now be translated into action. Europe must come into being, unless we are all to become victims of a new tragedy. Some months must yet elapse before we can see whether the promise of Paris is borne out by events.

ADOPTION OF THE EEC BUDGET FOR 1975

The Community Budget, which from 1 January will be financed by own resources and no longer by contributions from the Member States, was finally adopted by the European Parliament on 12 December. This is a fundamental innovation for 1975.

Up to this financial year, in fact, the power to adopt the budget ultimately rested with the Council of Ministers. The procedures also were different and did not permit Parliament to use the wider power in budgetary matters given it by the 1970 Treaties.

In October the Council submitted the draft budget established by it on a proposal from the Commission of the Communities.

In November Parliament tabled a series of amendments on the 'non-compulsory' expenditure items on which it has the last word. The most important of these provided for a substantial appropriation for the Regional Fund and another rather large one for the Social Fund.

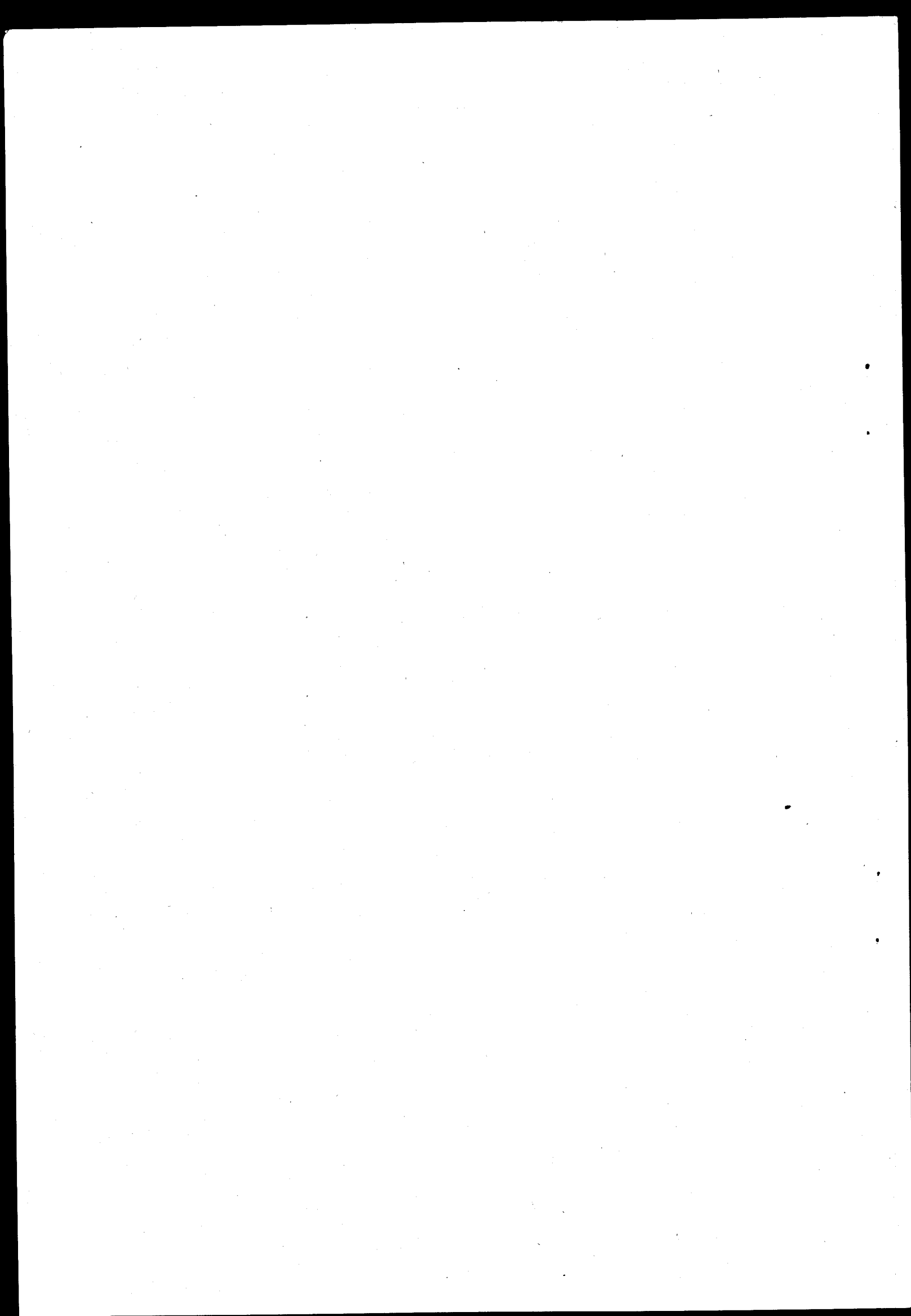
On compulsory expenditure (4/5 of the budget) Parliament submitted proposed modifications aimed mainly at providing financial backing for the agricultural structures reform policy.

These modifications ran aground in the Council, which had the power to accept or reject them. Practically all of Parliament's amendments, however, including that on the Social Fund, were approved.

The decision of the Paris Summit of 9 and 10 December has proved Parliament right on, amongst other things, the first 300 million units of account for the Regional Fund which will be effective - together with the supplementary budget - from the beginning of 1975.

Speaking on behalf of the Christian-Democratic Group, Mr PETRE analysed the Council's attitude to the Regional Fund and the Social Fund.

'While we have a great deal of sympathy for the Council, which has accepted the modifications made by Parliament', he said, 'the Christian-Democratic Group expresses its disappointment at the Council's refusal to accept the changes proposed both on the Regional Fund and on the Fund for aid to developing countries'.



ALCIDE DE GASPERI COMMEMORATION IN TRENTO

An international ceremony in honour of Alcide de Gasperi was held in Trento on 6 and 7 December to mark the twentieth anniversary of his death.

This ceremony in Trento, the statesman's birthplace, brought the year dedicated to him to a close.

It was presided over by the Secretary-General of the Italian Christian Democrat Party, Mr Amintore FANFANI, and was attended by some of the most prominent figures in the Christian Democratic movement, including Mr Kurt KIESINGER, former Chancellor of the German Federal Republic, Mr Walter HALLSTEIN, first President of the European Commission, former Commissioner Edoardo MARTINO, Mr Pierre WERNER, former Prime Minister of Luxembourg and Mr René DE LEON, Secretary-General of the Christian Democratic World Union.

Telegrams of support and congratulations were received from all over the world.

The chairman of the Christian-Democratic Group in the European Parliament, Mr LUCKER, gave a speech, from which we quote the principal passages:

IN MEMORY OF ALCIDE DE GASPERI

by Mr H.A. Lucker

We must scan an entire half-century of history to appreciate what Alcide de Gasperi set out to do and to realize that we must carry on the work which he began. In August 1921, Father Luigi Sturzo, the first spiritual father of the Christian Democratic movement, undertook a tour of Germany on behalf of the Italian Popular Party, which he himself had founded, and now known as the Christian Democrat Party. For the first time ever he established contacts with German political parties in sympathy with his ideals, the 'Deutsche Zentrumspartei' and the 'Bayrische Volkspartei'. Accompanying Father Sturzo was one of the men who had helped him found his Popular Party, Alcide de Gasperi. One of the most important figures they met in Germany was Konrad Adenauer. In those early post-war days it took tremendous courage to meet with German politicians to seek joint solutions which would bring democratic Germany back into the family of peoples of Europe and restore her to her rightful place in the world.

A reconciliation between the peoples and a lasting peaceful coexistence could have been achieved, and Father Sturzo and De Gasperi were convinced of this, if Europe had turned from nationalism and protectionism and set herself to the task of rebuilding by peaceful means on the basis of the solidarity and community of interests between her peoples. In this way Europe could have

played its proper part in a world no longer governed, as it had been until then, by the balance-of-power concept which it had, in fact, derived from Europe itself. The vision shared by Father Sturzo and Alcide de Gasperi is deeply rooted in a concept of a Europe permeated by culture and civilization, to which even today the world is deeply indebted. In order to achieve these aims they had proposed the creation of a 'European common market', which is what many people today call the European Community. European unity was to be achieved by means of a customs union.

During that visit they had also proposed close political cooperation between all the European political parties which shared Christian-Democratic ideals. They were to have been the driving force behind the realization of these ideals.

All of this took place in August 1921. What political visions these were and what pent-up force was contained within them! And what terrifying totalitarian forces and political systems they were that brought about a second war even more devastating than the first and destroyed any hope of achieving these ideals so far in advance of their time! A truly apocalyptic flood of destruction and human suffering was to beat down on our peoples before a small group of courageous men could thirty years later revive the ideas which Father Sturzo and Alcide de Gasperi wanted at that time to carry into practice. It was certainly no accident of history but rather the workings of providence that after the second world war, in Europe's greatest hour of need, Alcide de Gasperi found in Robert Schuman and Konrad Adenauer two comrades-in-arms who have gone into the pages of history with him as men worthy of the high task to which history called them. Their task was to discern accurately the destiny that awaited Europe in a radically changed world and they succeeded in finding within themselves the great courage and moral strength to surmount discouragement and despair and to open the eyes of the peoples of Europe to a new goal. As well as this they awakened new hope and spurred new energies, which in the years to follow were to build up the new Europe of peace, zeal for the common good and social justice.

The peoples understood and followed them and thus it is that they have brought about a European rebirth in which nobody would have dared believe immediately after the second world war.

Truly Alcide de Gasperi, Robert Schuman and Konrad Adenauer had grasped the hem of Christ's mantle, that same Christ that walks through all History!

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Without the contribution made by the Christian Democrats of Europe the European Communities would certainly not have attained their present stage of development where, despite the present serious crisis, they still represent for all men in Europe and the world a glowing hope for a better, juster and more peaceful world.

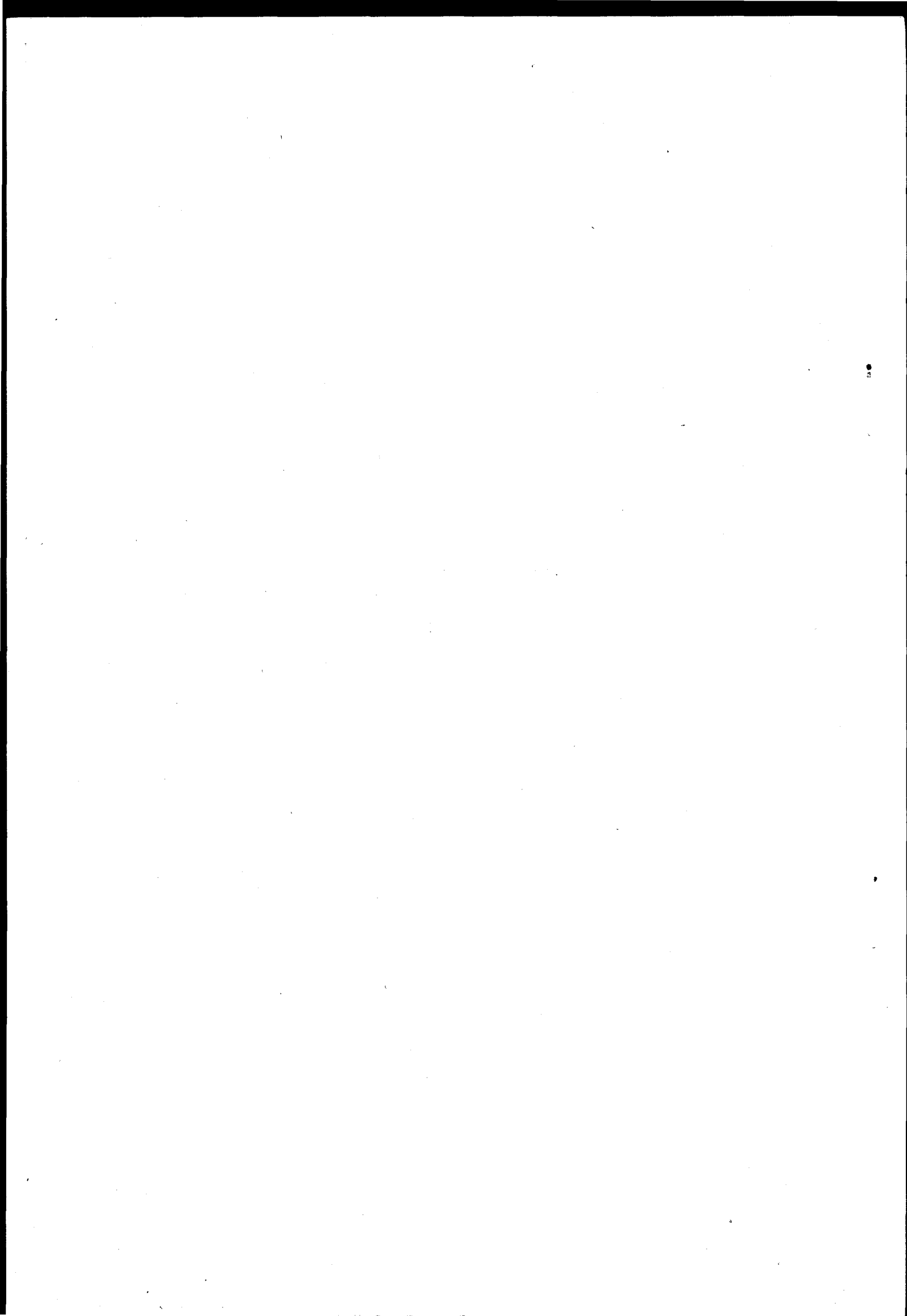
There are many other illustrious names that I should mention; I should also speak of what the Christian Democrats of Europe have done to further the development of Europe. It would be a proud chronicle of high and successful endeavour to keep alive the heritage of de Gasperi and the two other great men who were his comrades-in-arms in the execution of his grand design.

Our pride in this valuable contribution by European Democrats does not, however, blind us to the fact that many problems on the road to European unification still remain unsolved and that we have not been able as yet to take any really decisive steps.

Much progress has certainly been made; the Hague Summit and more especially the Paris Summit have given rise to legitimate hopes for the building of Europe.

- Policies which until 1969 were sectoral have given way to the idea of overall Community policies.
- Cooperation in the field of external policy and diplomacy has made headway with the so-called 'Davignon procedure'.
- The Community has been expanded by the accession of Britain, Denmark and Ireland which give her today a new dimension.
- A European identity has been spelt out.
- The political goal of building Europe into a European Union has been solemnly affirmed.

These stages and goals have not yet, however, been fully achieved, and at this moment in time no one of us can say with certainty that the realization of these goals is at hand or even that they can be finally realized at all.



A EUROPEAN SOLUTION TO THE ENERGY CRISIS

by Professor Friedrich BURGBACHER

The dangerous conviction that the oil crisis was really not so bad after all and that it is now clearly over seems to be gaining ground in the Community. That is a cruel mistake. It is by no means over, neither as regards oil supplies and prices nor as regards their effects on the balance-of-payments situation in the countries of the Western world.

The Commission and a number of Community Member States have drawn up energy programmes up to the year 1985. So far, however, these are more in the nature of declarations of intent rather than practical measures to overcome the energy shortage, the particular difficulty in which lies in the fact that all substitute sources of energy require investments running into thousands of million marks. To plan and build the necessary plants (whether thermal power stations, nuclear reactors, coal liquefaction or coal gasification plants) will take five to ten years. Most energy production plants will not be able to supply any energy by 1984 unless planning on them begins in earnest here and now. The approach we adopt today will therefore determine whether we are eventually going to master or plunge even deeper into the energy crisis.

Our hopes for a long-term solution lie in developing our natural gas reserves and in building nuclear reactors. Whether this can be done on the scale hoped for by the Commission of the European Communities is more than doubtful. Since the Community has an abundance of coal at its disposal, the obvious thing for us to do is to improve our present coal gasification processes, set up research and study centres and above all to commission research projects on these matters, so that a start can soon be made on building these plants. Even at that, they will not be operational until between 1980 and 1985, which will be a critical period for energy supplies with a peak being reached around the year 1985.

At present prices, gas produced from coal is dearer than natural gas. We know, however, from very reliable sources that Dutch natural gas, for instance, will become much more expensive in a few months' time and that higher prices for natural gas from other sources will inevitably follow. Unfortunately, I also predict that there will likewise be further increases in oil prices. However, as oil and natural gas rise in price, coal gasification will become an economic proposition.

We shall have to acquire the habit of regarding this problem not merely as an energy problem but as a genuine monetary policy problem, a problem for our balance of payments. After all, between 100 and 125 million dollars flows every year from the Western to the Arab world. We have ample evidence of the difficulties this has caused for some Community Member States. Gasification of European coal would, however, involve European capital, jobs for Europeans, payment in European currencies and an easing of the already strained balances-of-payments situation.

MISCELLANEOUS

26th Congress of the Christian Democrat Party (C.V.P.) in Belgium

PLANNING IN A DEMOCRATIC SOCIETY

On 7 and 8 December the C.V.P. (the Flemish Christian Democrat Party of Belgium) held a congress on the 'Fourth Belgian Socio-economic Plan: 1976-1980'. Mr. Wilfrid MARTENS, who was reelected by the congress as chairman of the party, said that 'up to now planning has been the preserve of party technocrats and bureaucrats, or of capitalists. What we are attempting is democratic planning. In the coming years we shall be trying out some changes designed to give greater prominence to important problems and situations hitherto pushed into the background, to promote diversified economic development, to provide bigger and better public services and to cater for a growing interest in the quality of life of the ordinary citizen in his work, in his private life and in his cultural interests. The CVP is the only party in Belgium that advocates solidarity between all social classes, between workers, officials and self-employed persons. This perfect solidarity must be given concrete expression in our times'. Recalling the pessimistic predictions of the second report of the Club of Rome, Mr Martens stressed that a solution to all these problems can be found only in a global context and through full cooperation between all concerned. 'We must act immediately to set up a European Christian Democratic Party, because without a strong party at European level we will never succeed in carrying out our programme', said the chairman, adding that in their European manifesto 'the Christian Democrats offer a response to the challenge of the future'. He concluded by saying that 'history has a rendezvous with Christian Democracy'.

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In the resolution adopted by the Congress, the CVP declared itself in favour of a democratic economy, carefully planned both at national and European level, as a means of realizing the economic system based on economic democracy, which the Party had proposed, and of ensuring a more equitable distribution of wealth. Within this framework the market economy had to form the basis of a system with its own decentralized decision-making centres. As far as the achievement of the social targets laid down in the plan was concerned, 'the State must intervene to guide, encourage and redress, and must therefore have at its disposal the means necessary for this purpose; in addition, it must decide on a series of measures which will, in the medium term, lead to the implementation of this new development

pattern. The State must therefore pursue a policy whose primary objective is not purely material progress but rather the spiritual and cultural fulfilment of man in society. Thus the plan not only sets out the conditions and the content of a consistent social and economic policy but also contains a blueprint for a more humane society. In order to safeguard the democratic character of the plan, final options of a political nature must be spelt out by the politicians responsible, but the specialized socio-economic and regional bodies must first be consulted and the public informed through full use of the existing media.

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Those who spoke at the Congress included Mr Bernardo LEIGHTON, former Vice-President of Chile exiled from his own country, Mr René DE LEON (Guatemala), Secretary-General of the Christian Democratic World Union and Mr Karl HAHN, Deputy Secretary-General of the ECDU.

In a highly courageous speech, the Prime Minister, Mr TINDEMANS, stressed the gravity of the world economic crisis and issued an urgent appeal for greater self-restraint in manner of living and in material demands.

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MEETING OF THE 'CDU-CSU ALLIANCE' IN BRUSSELS

The enormous disparities between their economies have prevented the Nine from forming an economic and monetary alliance. This was the conclusion that emerged clearly from a meeting organized in Brussels by the 'CDU-CSU Alliance' in Belgium, which was attended by Mr BÖURGBACHER and Mr ARTZINGER (members of the European Parliament's Committee on Economic and Monetary Affairs) and Mr FRÜH (member of the Committee on Agriculture).

Mr ARTZINGER summed up the economic situation in the Community and stressed the dangers of inflation, which in the various Member States has already reached levels ranging from 7 to 25%. The labour market has been hard hit in the course of recent months and the number of unemployed has reached a record level. It is feared that before this winter is over the number of unemployed in Germany will have passed the million mark.

Mr BÖURGBACHER, who spoke on energy problems and on the implications of the petrodollars, stressed that oil prices had tripled and quadrupled within the space of one year with disastrous consequences for the balance of payments of oil-importing countries. The EEC countries would probably spend an extra 50,000 million dollars for oil imports in 1974. Germany was the only

Community country to show a surplus on balance of payments; the other partners' deficits will amount altogether to 20,000 million dollars in 1974 and to make matters worse, there is no sign of any end to the uncertainty with regard to supplies.

Both speakers agreed that a solution to the problems of inflation and energy supplies is a necessary precondition for progress towards economic and monetary union. It is not possible to create a monetary union without taking the economy as a whole into account and the situation of the member countries in regard to their balance of payments.

The negative effects of the discrepancies between national economies and of the resulting monetary tensions on the common agricultural policy were highlighted by Mr FRÜH. The common agricultural policy, which harmonized and unified vastly differing national policies, has been for a long time now the bond which held the Community together. Unfortunately, however, the confident belief that this would automatically lead to unification in other sectors has been mistaken. In no other sector has a similar degree of integration been achieved. Today the common agricultural policy threatens to overthrow the Community, and the reasons for this must be sought outside it in the form of inflation and continual changes in monetary parities.

The weakness of Europe's decision-making bodies is revealed in the struggle against inflation and in the efforts to solve the energy problem. This is why progress in the institutional sector is urgently needed. It has been clearly shown that the Member States can solve their own problems only if they act together and that if they rely on themselves they will not have the slightest chance of success.

D O S S I E R

A LIMIT TO DEVELOPMENT

by Luigi GIRARDIN

Is ours an ailing, perhaps even a dying planet? Is the end near?

These questions are being asked by scientists, experts and thoughtful observers everywhere, but they do not seem to have reached the ears of the world's rulers and those who wield power.

Such questions may seem over-dramatic and out of touch with scientific reality, but there is one fact which suggests that we are on the threshold of a crisis that could cause irreparable harm to the world. This is the economic and social gap between rich and poor countries and within them, between the privileged and the under-privileged classes, a gap which is growing wider with economic and technological progress and threatens not only the physical but also the moral and social environment of the human race.

The recent World Food Conference in Rome threw into sharp relief a state of affairs which defies belief and cannot be accepted by a society which claims to be civilized and is already looking forward to the 1980's.

National self interest, the folly of war as a means of settling disputes between countries and peoples, the vast sums of money squandered on armaments, all of these constitute an irresponsible and inhuman response to the demands for justice going up from all over the world to those who have the power to avert disaster.

The recent publication of the study commissioned from the MIT (Massachusetts Institute of Technology) by the Club of Rome on 'The limits to development' provides fresh food for thought on the need for certain decisions, essentially political, to bring about a more evenly balanced distribution of world resources.

The arguments put forward in this study are wideranging and difficult to apply on a world scale, but a start could be made at European level, where the EEC provides a valid frame of references within which some of these decisions might be effectively implemented.

It is not in the interests either of the poor or the highly developed countries to continue to create vast pockets of demand for migrant labour in order to redress the imbalance between supply and demand on the national and Community labour markets.

We are all aware of how cruel the human costs of emigration can be, but there are other costs involved for the host countries, enormous financial burdens which have to be shouldered before they can even begin to meet the basic human needs of the immigrants and their families.

Just as slavery was the disgrace of past civilizations, so at some future date when a new economic order, whether brought about voluntarily or enforced, perhaps even by revolution and violence, will have put an end to it, emigration will be remembered as the disgrace of our modern civilization.

We have only to contemplate the European scene to understand something of emigration patterns.

According to the most recent statistics, for instance, there are approximately 600,000 Italians in France, about the same number in Switzerland and some 650,000 in Germany (in addition to 500,000 Turks) not to mention other workers from such countries as Yugoslavia, Portugal and Morocco. In Europe alone there are about two and a half million Italian immigrants, and it must be remembered that these are statistics based on official records which do not include illegal immigrants. This running sore of emigration is creating enormous problems, which in the long term will become even more pressing.

Such an exceptional state of affairs cannot possibly be maintained for long, even in economies which regard themselves as stable and proof against any crisis or recession.

A radical revision of economic development policy is called for. There are those who argue that economic expansion must be arrested by imposing a zero growth rate, in order to give ourselves a chance to start rethinking the whole question of development on a world scale, including the methods to be used, the areas to be developed and the time-scales to be observed.

This is an intriguing and a stimulating proposal, but it is unlikely to evoke much response in view of the considerations outlined above.

It is quite certain, however, that in an integrated (or integrating) economic system such as that of the EEC, a fairer distribution of capital investments and hence of the new wealth being created by all (but primarily by the workers) could be ensured, not as the multinationals are doing, but by directing investment towards the underdeveloped areas of Europe and of the countries associated with the EEC as has occurred in the national territories of the EEC Member States.

If, however, present trends are to be finally and effectively reversed and employment opportunities created in those areas where labour is available, thus avoiding the need for emigration, major political decisions will be necessary.

It is the duty - and in the interests - of the richer countries to restore economic and social balance in the under-developed countries and regions of Europe. As the above arguments show, it is clearly in their own interests not only to divert resources from domestic infrastructures into foreign investments (in areas where security is guaranteed by the fact of their belonging to the Community) but also to take a more far-sighted view of the whole matter, even if a sense of moral and political duty is often not a sufficient incentive to political decision making.

The countries which today need help to get their economies moving are countries which will, at some future date, have decisive influence on the economy of the whole world (in fact, many of them are potentially in a position to do so already). We need only think of the oil war, which tomorrow could be the uranium war, both of these raw materials being indispensable sources of energy for industrial purposes in the richer countries both now and in the future. The fable of Mennenio Agrippa has a moral for our time, as some of the African delegates to the Parliamentary Conference of the EEC-AASM Association pointed out. What they said, in effect, was: 'If Europe helps us, a time will come when we can prove our friendship by coming to Europe's aid, because we also have oil and, more important, we have uranium, the oil of the future.'

A limit must be placed on growth in over-developed countries and in over-developed regions within particular countries. This could be done by aiming at nothing higher than full employment for the existing labour force, taking this to include immigrants already established after long years of permanent residence in a particular country.

In order to achieve this it is essential that:

(1) Stringent measures be initiated both at European and at national level to discourage new industrial ventures in congested areas and any new investments that are not justified by the need to keep abreast of technological progress or by the normal financial backing needed to maintain the existing level of production and employment:

(2) A system of well-planned incentives be set up to attract new investment in areas poor in capital but rich in manpower.

Any regional policy at European level which does not start from these basic premises, even though backed by a large capital fund, can never achieve any worthwhile results or bring about any radical change in our development system, which has now outlived its usefulness.

If Europe does not have the strength and the courage to tackle and solve these problems, it will find it very difficult to become a genuine economic, let alone a political Community.

